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CORN LOAN 8

United States Department of Agriculture
Agricultural Adjustment Administration

Issued October 5, 1938



INSTRUCTIONS TO COUNTY COMMITTEES
RELATIVE TO SUPERVISING DELIVERY
OF CORN IN PAYMENT OF 1937-38 LOANS

1. Commodity Credit Corporation proposes to establish a central office at the Loan Agency of Reconstruction Finance Corporation, 164 West Jackson Boulevard, Chicago, Illinois, for the handling of corn collateral delivered in payment of 1937-38 corn loans. The North Central Division of the Agricultural Adjustment Administration will have a representative in this office to forward instructions to State and county agricultural conservation committees.
2. Notice to County Committees: Borrowers desiring to deliver their corn collateral in payment of their loan must notify the county committee and obtain instructions as to delivery before breaking the seal and shelling the corn. If the loan papers are held by a local lending agency, such agency should be advised immediately to transmit the loan papers to the Reconstruction Finance Corporation Agency serving the area.
3. Conversion into New Loan: Any 1937 corn now under a 1937-38 corn loan may be purchased by an eligible producer and placed under a 57 cent loan, pursuant to 1937-38 CCC Corn Form 1, but such corn is not eligible for a loan as purchased corn after it has been delivered in payment of a 1937-38 corn loan.
4. Reinspection: Before consenting to delivery of the corn, the county committee shall instruct an inspector to reinspect and remeasure the corn collateral. If the inspector finds the corn in acceptable condition and his measurements indicate that there is no shortage in quantity, he shall authorize the borrower to break the seal, shell, and deliver the corn to a local elevator or delivery point previously agreed upon by the county committee and borrower.
5. Damaged Corn: If in the opinion of the inspector the corn is below No. 3 grade, he shall make a complete report to the county committee regarding the loan in accordance with the Division Memorandum dated March 26, 1938, entitled "Procedure for Liquidation of Corn Loan when Collateral is Damaged or Impaired". Before completing said report the county committee shall have the inspector supervise the delivery of the corn. The inspector shall secure a representative sample of the corn by using a grain probe to take samples from the shelled corn either at or enroute to the delivery point. Such samples shall be forwarded to the State office for grade determination.
6. Shortage: If the measurements indicate a shortage in quantity, the inspector shall immediately estimate the amount of the shortage in bushels and make a complete report to the county committee. The county committee shall require a satisfactory settlement for the shortage at the local market price of grade No. 2 corn. If such settlement is not made in cash the producer should be requested to execute authority for set-off on Form AAA-372 to cover the shortage. In the event such form is not

executed a complete statement of facts in regard to the loan (in accordance with Division Memorandum dated March 26, 1938), should be forwarded to the Loan Agency of Reconstruction Finance Corporation holding the paper in order that Commodity Credit Corporation may request set-off of the Secretary of Agriculture.

7. Delivery: In accordance with 1937-38 CCC Corn Form A and 1937-38 CCC Corn Form 1, the borrower is required to shell and deliver the corn to a delivery point agreed upon with the county committee. In the case of farm sales of corn collateral, the delivery point agreed upon may be either the borrower's farm or the purchaser's farm, provided the net proceeds of the sale are not less than the local market value of Grade No. 2 corn times the number of bushels used in determining the loan.

8. Sales of Corn Collateral by County Committee. County committees are authorized to make local sales to farmers at the farm where the corn is stored provided the proceeds of the sale are not less than the local market price of No. 2 corn times the number of bushels used in computing the amount of the loan. Sales may also be made to farmers at a local delivery point so long as fair prices are obtainable as compared with prices to be obtained if the corn were shipped elsewhere. In the event county committees have any doubts as to the adequacy of the local price they are instructed to wire Commodity Credit Corporation, c/o the Chicago Loan Agency of Reconstruction Finance Corporation, collect, as to the proper local price for such corn. Such wires should state the quantity, color, and grade of the corn and local price offered. County committees shall be guided by the advice of the Chicago office in regard to such sales.

When corn collateral delivered to a local elevator is offered for sale, the storage receipts or scale tickets given the county committee as evidence of delivered corn and grade determination by the elevator or State office, shall be the basis on which the county committee will offer the corn for sale. All elevation and storage charges shall accrue against the corn and be paid by the purchaser.

County committees should secure instructions from the Commodity Credit Corporation, c/o the Reconstruction Finance Corporation Agency, Chicago, Illinois, before making any sales of corn collateral to persons other than farmers.

9. Corn Shipment: When advised by Commodity Credit Corporation to ship corn delivered in payment of 1937-38 loans, the county committee shall instruct the local elevator to load on cars the corn being delivered or represented by storage receipts held by the county committee as agent for the Commodity Credit Corporation. Whenever possible the corn should be loaded to retain the identity of each producer's corn. When it is necessary to ship more than one producer's corn in the same car, care should be taken to load corn of like class and grade.

10. Settlement: All sales shall be for cash only and the storage receipts or scale tickets shall be surrendered only when settlement is made in full. Settlement by purchaser shall be made for the full amount of the sale by cashier's check or Post Office money order, payable only to Commodity Credit Corporation and delivered to the county committee which will

transmit the same to the Reconstruction Finance Corporation Loan Agency holding the loan paper, together with a report of the sale on 1937-38 CCC Corn Form W. The duplicate copy of this report shall be sent to Commodity Credit Corporation, c/o the Chicago Loan Agency of Reconstruction Finance Corporation.

11. Local Elevator's Agreement: Before authorizing delivery of corn collateral to a local elevator or directly into cars, the county committee shall obtain a signed agreement with the local elevator on 1937-38 CCC Corn Form T, attached hereto. The original copy shall be forwarded to Commodity Credit Corporation, c/o Loan Agency of Reconstruction Finance Corporation, Chicago, Illinois.

12. Elevator Receipts: The local elevator should be instructed to issue separate warehouse receipts, or scale tickets, for the corn delivered by each producer for the account of Commodity Credit Corporation. Such receipts or scale tickets must show the weight, color, and grade of the corn delivered and shall be non-negotiable in form, issued in the name of Commodity Credit Corporation and shall also show the name and address of the producer delivering the same. Such receipts or scale tickets in the event the corn evidenced thereby is not sold locally shall be delivered to the county committee for subsequent transmittal to Commodity Credit Corporation, c/o Loan Agency of Reconstruction Finance Corporation in Chicago. Commodity Credit Corporation will require non-negotiable warehouse receipts or scale tickets in order that shipping instructions may be issued at any time covering such corn.

13. Special Forwarding Instructions: Local elevators receiving corn in excess of their capacity should have the county committee wire Commodity Credit Corporation, c/o the Chicago Loan Agency of Reconstruction Finance Corporation for instructions in regard to disposition. Such instructions may provide that the corn be forwarded to a terminal warehouse for storage or sale in which case the Commodity Credit Corporation will recognize the lien of the local elevator for charges accrued against such corn in accordance with the provisions of 1937-38 CCC Corn Form T as approved by the county committee, the local elevator to be reimbursed therefor by the terminal warehouseman for account of Commodity Credit Corporation.

14. Elevator's Statement of Expense: When the county committee authorizes a borrower to deliver corn collateral to a local elevator for storage or shipment, four copies of 1937-38 CCC Corn Form V, "Elevator's Statement of Expense", should be fully captioned, insofar as concerns information to be supplied by the county committee, and delivered to the elevator, together with selling, storing, or shipping instructions as the case may be. The elevator should be instructed to identify the corn on scale tickets, storage receipts, grade and moisture determination with the captioned borrower's name and serial number. When shipment is made upon instructions from Commodity Credit Corporation the elevator must complete the Statement of Expense, (1937-38 CCC Corn Form V) and deliver three copies thereof to the county committee which will approve the same, if correct, and forward two copies to the terminal warehouse or commissionman to which the corn is shipped; the third copy to be retained by the county committee.

15. Report of Corn Delivered: Attached hereto is a specimen form of report designated as 1937-38 CCC Corn Form W, which must be completed by the county committee for each producer making delivery of corn securing notes on 1937-38 CCC Corn Form A. This report must be completed in triplicate. The original copy of the report, together with the sales proceeds, if the corn is sold, shall be forwarded to the Loan Agency of Reconstruction Finance Corporation holding the note and loan agreement. The duplicate copy shall be forwarded to Commodity Credit Corporation, c/o the Chicago Loan Agency of Reconstruction Finance Corporation, together with the original copy of the bill of lading, if the corn is shipped, or the storage receipt if the corn is stored. The third copy shall be retained by the county committee.

16. Commercial Bill of Lading: Upon execution of a regular bill of lading by the carrier's agent and the county committee as agent for Commodity Credit Corporation, the copies will be distributed as follows:

- (a) The original or white copy shall be transmitted to Commodity Credit Corporation, c/o Chicago Loan Agency of Reconstruction Finance Corporation. To this copy of the bill of lading there must be attached copy of 1937-38 CCC Form W, duly executed by the county committee, identifying the corn collateral.
- (b) The second copy or shipping order shall be surrendered to the first carrier.
- (c) The third copy of the bill of lading, if any, shall be retained by the county committee.

17. Government Bills of Lading: If and when it is deemed advisable to ship corn under Government bills of lading, the county committee will be so advised by Commodity Credit Corporation and such bills of lading will be furnished by Commodity Credit Corporation, with full instructions, all copies of which must be accounted for by the county committee.

Copies of Government bills of lading shall be distributed as follows:

- (a) The shipping order or salmon copy should be signed by a member or duly authorized employee of the county committee as agent of Commodity Credit Corporation and surrendered to the first carrier. An agent of the first carrier will in turn sign all copies of such bills of lading.
- (b) The original or white copy is to be forwarded to the consignee who will be the terminal warehouseman, commission-man, or purchaser, as designated by Commodity Credit Corporation.
- (c) The first yellow memorandum copy shall be forwarded to Commodity Credit Corporation, c/o the Chicago Loan Agency of Reconstruction Finance Corporation. To this first memorandum copy must be attached a copy of 1937-38 CCC Corn Form W executed by the county committee, identifying the corn collateral.

- (d) The second yellow memorandum copy shall be forwarded to the Loan Agency of Reconstruction Finance Corporation holding the note or notes secured by the corn in such shipment.
- (e) The third memorandum copy should be retained by the county committee.

18. Transportation by Truck: Corn collateral delivered in payment of 1937-38 corn loans may be trucked direct from the farm to the terminal or sub-terminal warehouse designated by Commodity Credit Corporation only upon written consent from the county committee. When granting consent, the county committee must ascertain the financial (and other) responsibility of the truck operator, the facilities for receiving corn by truck at the designated delivery point, and the probable saving as compared with rail transportation. The truck operator must furnish the county committee satisfactory evidence of his responsibility, and stipulate his transportation charge per bushel which should not be in excess of the carlot railroad rate per bushel from the local delivery point to the designated terminal or sub-terminal warehouse, taking into consideration the value of transit privileges. The trucker shall be instructed to obtain scale tickets and storage receipts in the name of Commodity Credit Corporation and to return the same to the county committee for handling in accordance with these instructions.

The trucker's statement of transportation charges must be prepared in triplicate and approved by county committee. The third copy shall be retained by the county committee and the original and second copy forwarded for payment to the terminal or sub-terminal warehouseman or commissionman to whom the corn is delivered.

19. Notice of Shipment: Upon shipment of corn, the county committee shall wire, day or night letter collect, Commodity Credit Corporation, c/o Loan Agency of Reconstruction Finance Corporation, 164 West Jackson Boulevard, Chicago, Illinois, the car initials and number, railroad, loading station, consignee, number of bushels, grade, color of corn (and moisture content, if available).

20. Partial Delivery of Corn Where Remainder is to be Resealed under New Loan: A borrower may deliver part of his corn collateral in partial payment of his 1937-38 loan in accordance with these instructions and pay the balance of his loan by resealing the remaining corn under the 57 cent loan, in accordance with the instructions contained in Corn Loan 3 issued September 14, 1938. The county committee shall forward to the Loan Agency of Reconstruction Finance Corporation holding the loan papers a "Report of Corn Delivered" on 1937-38 CCC Corn Form W for the portion of the corn collateral delivered, together with a note and chattel mortgage on 1938 CCC Corn Form A covering the balance of the corn collateral. An acceptable "Report of Corn Delivered" will constitute full settlement for that portion of the loan represented by the number of bushels delivered; the balance of the loan will be deducted from the proceeds of the new loan. Illustration: A borrower has a loan on 2,000 bushels of corn, amount due \$1,000.00 principal, and \$40.00 accrued interest and insurance or a total of \$1040.00. Delivery of 1,000 bushels of acceptable corn will constitute settlement in full for one-half of the loan, or \$520.00. The balance due on the loan will be deducted from the proceeds of the new loan- 1,000 bushels

at 57 cents equals \$570.00 minus \$520.00 leaves \$50.00 to be remitted to the borrower.

21. Return of Loan Papers: Upon receipt by Commodity Credit Corporation of evidence indicating the full quantity of corn pledged was delivered or accounted for, the producer's note and loan agreement will be marked "Paid" and returned to the county committee for release of the farm warehouse certificate and the forwarding of the note and loan agreement to the producer.

LOCAL ELEVATOR AGREEMENT

This Agreement made and entered into by and between Commodity Credit Corporation, Washington, D. C. a corporation acting as an agency of the United States (hereinafter called "Commodity") and _____

(Name)

_____, (hereinafter called "elevator").

(Address)

The elevator represents that it has facilities for receiving corn by wagon or truck, storing corn temporarily and loading corn on cars, that upon delivery to the elevator of corn for the account of Commodity, scale tickets or storage receipts shall be issued evidencing corn delivered by each producer. Such tickets or receipts shall show the name and address of the producer delivering corn and be issued in the name of Commodity Credit Corporation.

The elevator further agrees to make a grade determination on all the corn received and such grade shall be set forth on each storage receipt, scale ticket, or the bill of lading if the corn is shipped. Only corn of like class and grade may be commingled in storage or shipment. The elevation and storage charges, if any, shall be at the local tariff rate but in any event not to exceed two cents per bushel for receiving and loading on cars and storage for the first ten days, or 1/20 of a cent per bushel per day storage after expiration of the first ten days and not in excess of one cent per bushel per month after expiration of the first month.

The foregoing charges shall be invoiced by the elevator on 1937-38 CCC Corn Form V, in triplicate, duly approved by a member of the county committee, which form shall be transmitted in duplicate to the terminal warehouse or commissionman to which the corn is shipped, for payment by such terminal warehouse or commissionman for account of Commodity Credit Corporation; provided, however, that in the event the corn is purchased by the elevator, it is understood no such charges shall accrue.

The elevator agrees not to ship any corn delivered to it pursuant to this Agreement except upon written instructions from Commodity or the local county agricultural conservation committee as agent for Commodity.

The elevator's bank reference is _____

Elevator Company

By _____
(Manager) (Address)

County Agricultural Conservation Committee
Commodity Credit Corporation (Agent)

(Date)

By _____ Chairman
Secretary

This agreement should be prepared in triplicate; the original copy forwarded to the Commodity Credit Corporation, c/o the loan agency, Reconstruction Finance Corporation, 164 W. Jackson Blvd., Chicago, Illinois; one copy retained by the elevator, and one copy retained by the county committee.

State _____

County _____

LOCAL ELEVATOR'S STATEMENT OF EXPENSECommodity Credit Corporation,
c/o _____ Loan Agency of the
Reconstruction Finance Corporation, Re:

Loan Serial No. _____ Dated _____

Amount _____ Bushels _____

(Address) _____

Borrower _____

Address _____

Gentlemen:

This is to certify that _____ bushels of shelled corn grading _____
were received from the above-captioned borrower, _____ 193__ and the same was
(date)
loaded _____ 193__, in car _____ No. _____, on _____
(date) (initial)
Railroad, at _____
(Station)

Above shipment was consigned to Commodity Credit Corporation, c/o _____
Terminal

at _____

Warehouse or Commissionman

The following service charges are due and payable to the undersigned:

Elevation and loading charges _____ bushels _____ cents _____

Storage charges on _____ bushels.

from _____ to _____ 193__, _____ cents _____

Total _____

Approved by:

_____ County

(Name of Elevator)

Agricultural Conservation Committee:

Chairman

By _____

Secretary

(Manager)

Address _____

Address _____

Date _____

Date _____

When the county committee authorizes a borrower to deliver corn collateral to
an elevator four copies of this form should be completed down to "Gentlemen;" and
delivered to the elevator which will complete them if and when the corn is shipped
and return three copies to the county committee who will forward two copies to the
proper agency for payment.

1937-38 CCC Corn From W

State _____
County _____

REPORT OF CORN DELIVERED

Commodity Credit Corporation,
c/o _____ Loan Agency of the
Reconstruction Finance Corporation,

Re: Loan Serial No. _____ Dated _____
Amount _____ Bushels _____
Borrower _____
Address _____

Gentlemen:

1. The above-named producer on _____ 193_, requested Commodity Credit Corporation to take delivery of corn securing said note. Said corn was reinspected on _____, 193_, by _____ and delivery authorized.

2. Place of delivery _____ Date _____
(farm or elevator)

Quantity delivered: Ear corn - (only if sold at farm) _____ bu.
Shelled corn - at elevator _____ bu.
Shortage (if any) _____ bu.

Quality delivered: Grade _____ Color _____ Moisture Content _____

3. If sold - Date _____ Price per bu. _____ Total proceeds \$ _____
Local market price for No. 2 corn on same date was _____ cents per bushel.

4. If stored - Storage Receipts No. _____ for _____ bushels of shelled corn, issued by _____
is attached to the duplicate copy hereof.

5. If shipped - Bill of Lading No. _____, covering car No. _____
was forwarded to Commodity Credit Corporation, c/o Chicago Loan Agency of the Reconstruction Finance Corporation. Local elevator's statement of expense \$ _____

6. Settlement - Enclosed is Cashier's Check or Postal Money Order \$ _____
to cover corn sold.

Shortage of corn, if any, has been covered (a) by payment in cash, or (b) set-off on Form AAA-372, herewith enclosed.

COUNTY AGRICULTURAL CONSERVATION COMMITTEE

(Date) _____

By _____

Address _____

(Separate report must be prepared in triplicate for each producer delivering corn. The original shall be forwarded to Loan Agency of Reconstruction Finance Corporation holding Producer's Note and the duplicate copy to Commodity Credit Corporation, c/o the Loan Agency of Reconstruction Finance Corporation, 164 West Jackson Boulevard, Chicago, Illinois).

